

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

JAMES BONINI
CLERK

2008 SEP 16 P 4:51

SOUTHERN DIST. OHIO
EAST DIV. COLUMBUS

UNITED STATES OF AMERICA	:	Crim. No.	2 : 08 cr 180
	:		
v.	:	Hon.	
	:		
THOMAS E. PARENTEAU	:	18 U.S.C. § 371	
	:	18 U.S.C. §§ 1503(a), 2	
and	:	18 U.S.C. §§ 1512(c)(1), 2	
	:	18 U.S.C. § 1512(c)(1)	
DENNIS G. SARTAIN,	:	18 U.S.C. §§ 1512(b)(1), 2	
Defendants.	:	18 U.S.C. § 1512(b)(2)(A)	

INDICTMENT

The Grand Jury in and for the Southern District of Ohio, sitting in Columbus,
charges that:

COUNT ONE
18 U.S.C. § 371
(Conspiracy)

BACKGROUND

Unless specified otherwise, at all times relevant to this Indictment:

The Defendants and other Relevant Persons

1. Defendant THOMAS E. PARENTEAU ("PARENTEAU"), a resident of Columbus, Ohio, is the de facto owner and operator of a number of related residential real estate businesses, such as Advanced Precast Building Systems, LLC ("APBS"), and Parenteau Builders, LLC, all of which are legally owned by his wife ("MKP") through

the holding company known as MKP Investments, LLC.

2. MKP, a resident of Dublin, Ohio, is the owner of a number of related residential real estate businesses operated by her husband **PARENTEAU**, including APBS and Parenteau Builders, LLC, all of which were held by her holding company, MKP Investments LLC.

3. From in or around 2000 through in or around 2008, **Defendant DENNIS G. SARTAIN**, a resident of Hilliard, Ohio, was a self-employed accountant who performed financial, accounting, bookkeeping, and tax preparation services as an independent contractor for **PARENTEAU**, several business entities owned or associated with **PARENTEAU** and MKP, including APBS, Your Home Source ("YHS"), MKP Investments, LLC, and other individuals associated with and/or related to **PARENTEAU** and MKP, such as Witness A, and others.

4. From in or around February 2000 through the present, APBS was a limited liability company owned and operated by **PARENTEAU** and MKP, which, along with Parenteau Builders, LLC, operated as a home building company of upscale homes.

5. Witness A was a highly successful sales manager for a local home builder from 1999 through November 2003, at which time she was terminated due to the disclosure of her involvement in a competitive real estate sales business she was then beginning with **PARENTEAU** and others, which came to be known as YHS.

The Disclosure of the Criminal Investigation

6. In or around October 2005, the Criminal Investigation division of the Internal Revenue Service notified Witness A that it was investigating the accuracy and legitimacy of her Individual Income Tax Returns, Forms 1040, for the years 2000 through 2003. Each of these income tax returns had been prepared by **SARTAIN**, and each contained a Schedule C entitled "Profit or Loss from Business," which reported that Witness A suffered substantial losses in the operation of her business known as "The Home Store of Columbus."

The Sartain Indictment

7. On or about April 12, 2007 and November 15, 2007, a grand jury sitting in the Southern District of Ohio returned, respectively, an indictment and a superseding indictment (the "Sartain Indictment") charging **SARTAIN** with seven felony counts, none of which directly covered his conduct in the individual income tax returns of Witness A.

8. On or about February 4, 2008, **SARTAIN** pleaded guilty to all seven felony charges, which guilty plea was accepted by the United States District Court. The matter was then referred to the United States Probation Office ("Probation") for the preparation of a Presentence Investigation Report ("PSI").

9. In or about March, 2008, Department of Justice attorneys representing the United States provided to **SARTAIN** a copy of its letter to Probation, which described the evidence gathered of **SARTAIN**'s criminal conduct that the government intended to

present at **SARTAIN**'s sentencing hearing, which included his conduct in preparing the individual income tax returns of Witness A.

10**A**. On or about March 4, 2008, an initial PSI was prepared by Probation which recommended that **SARTAIN**'s sentence be based upon, among other things, the loss associated with the individual income tax returns of Witness A.

10**B**. On or about July 11, 2008, **SARTAIN** filed with Probation his final objections to the PSI.

11. On or about July 23, 2008, Department of Justice attorneys representing the United States provided Probation and **SARTAIN** its response to his final objections to the PSI.

12. On or about August 21, 2008, the Final Presentence Investigative Report was completed, and submitted to the United States District Court, and to **SARTAIN** and the Department of Justice attorneys representing the United States.

13. On or about August 27, 2008, **SARTAIN**'s sentencing hearing was scheduled for September 22, 2008.

14. On or about September 9, 2008, **SARTAIN**'s sentencing hearing was continued to October 27, 2008.

Plea Agreement of Witness A

15. From in or around April 2007 through in or around July 2007, Witness A met with federal law enforcement agents and Department of Justice attorneys representing the United States on approximately ten occasions for the purposes of reaching an agreement regarding her criminal exposure. Witness A offered to cooperate with and assist the Government in its investigation and prosecution of others. However, throughout her meetings in 2007, she denied that her individual income tax returns were false or criminal in nature.

16. On or about May 27, 2008, Witness A executed a plea agreement in which she agreed to plead guilty to various felony conspiracy offenses, none of which related directly to her individual income tax returns. At the time she entered her guilty plea, Witness A agreed to cooperate with the United States in its ongoing prosecution and investigation of **SARTAIN, PARENTEAU**, and others and to testify truthfully at any judicial proceeding.

THE CONSPIRACY

17. From in or around October 2005 to the date of this Indictment, in the Southern District of Ohio, and elsewhere, defendants

THOMAS E. PARENTEAU
and
DENNIS G. SARTAIN

did knowingly and willfully conspire, combine and agree with each other and others both

known and unknown to the grand jury to commit offenses against the United States, that is:

- A. to corruptly persuade and attempt to persuade Witness A, and engage in misleading conduct toward Witness A, with intent to influence, delay, and prevent the testimony of Witness A from an official proceeding, contrary to Title 18, United States Code, Section 1512(b); and
- B. to corruptly alter, destroy, mutilate, and conceal, and attempt to alter, destroy, mutilate, and conceal a record, document, and other object, with intent to impair that object's integrity or availability for use in an official proceeding, contrary to Title 18, United States Code, Section 1512(c); and
- C. to corruptly influence, obstruct, and impede, and to endeavor to influence, obstruct, and impede the due administration of justice, contrary to Title 18, United States Code, Section 1503.

Goal of the Conspiracy

18. A primary goal of the conspiracy was to persuade Witness A and **SARTAIN** to mislead federal law enforcement agents and Department of Justice attorneys representing the United States and the Court by presenting false information, false testimony and false documents and by withholding material testimony and

documents from the Court so as to protect themselves, **PARENTEAU** and others from criminal investigation and prosecution for various felony conspiracy and substantive fraud and tax offenses.

Manner and Means of the Conspiracy

Among the means by which defendants **PARENTEAU** and **SARTAIN**, and their coconspirators would and did carry out the conspiracy were the following:

19. It was a part of the conspiracy that **PARENTEAU**, **SARTAIN**, and others destroyed records and evidence material to the investigation of the individual income tax returns of Witness A for the years 2000 through 2003.

20. It was a part of the conspiracy that **PARENTEAU**, **SARTAIN**, and others attempted to conceal records and evidence material to the investigation of the individual income tax returns of Witness A for the years 2000 through 2003.

21. It was a part of the conspiracy that **PARENTEAU**, **SARTAIN**, and others on their behalf, created and executed new records and evidence, some of which they falsely backdated, and then caused the evidence to be turned over to the government during its investigation of the individual income tax returns of Witness A for the years 2000 through 2003.

22. It was a part of the conspiracy that **PARENTEAU** would pay for the legal representation of **SARTAIN**, Witness A, and others so that **PARENTEAU** could maintain some control over these individuals during the investigation.

23. It was a part of the conspiracy that **PARENTEAU, SARTAIN**, Witness A, and others prepared and agreed to tell a false story concerning the events underlying the entries on the individual income tax returns of Witness A, as well as other matters under investigation.

24. It was a part of the conspiracy that **PARENTEAU, SARTAIN**, and others persuaded Witness A to make materially false statements to federal law enforcement agents who were then investigating her conduct, the conduct of **PARENTEAU**, and involved in the prosecution of **SARTAIN**. During several interviews conducted by these agents throughout the spring and summer of 2007, the defendants and others encouraged her to continue to "sell the story" to the government.

25. It was a part of the conspiracy that **PARENTEAU, SARTAIN**, and others endeavored to and attempted to persuade Witness A to make material false statements under oath before the District Court Judge at the sentencing hearing of **SARTAIN** in order to attempt to minimize **SARTAIN'S** sentencing exposure, her own sentencing exposure, and to protect **PARENTEAU** from prosecution.

26. It was a part of the conspiracy that **PARENTEAU** agreed to pay to **SARTAIN** or others on his behalf, during the time period **SARTAIN** was or would be imprisoned, the annual income which **PARENTEAU** formerly paid **SARTAIN** for accounting, financial and bookkeeping services so as to keep **SARTAIN** from incriminating **PARENTEAU** in the fraud scheme involving the individual income tax

returns of Witness A for the years 2000 through 2003.

27. It was a part of the conspiracy that **PARENTEAU** further agreed to pay **SARTAIN**, if he continued to protect **PARENTEAU**, a substantial amount when **PARENTEAU**'s father died and **PARENTEAU** collected the in excess of \$20 million in life insurance proceeds from four key-man life insurance policies for which **SARTAIN** had assisted **PARENTEAU** in successfully applying.

28. It was a part of the conspiracy that **PARENTEAU** used threats of physical force against Witness A, himself, and others so as to ensure Witness A would withhold from the government the truth about his involvement in the fraud scheme involving her individual income tax returns for the years 2000 through 2003.

29. It was a part of the conspiracy that **PARENTEAU** concealed from the government electronic records maintained on a computer throughout the course of the government's investigation.

30. It was a part of the conspiracy that **PARENTEAU**, **SARTAIN**, Witness A, and others took steps to avoid detection of their conspiracy such as

- A. meeting in the closet of Witness A's oldest daughter in the house at 4500 Dublin Road, Loretta Estate, Columbus Ohio 43221;
- B. meeting in the bathroom of Witness A's youngest daughter in the house at 4500 Dublin Road, Loretta Estate, Columbus Ohio 43221;
- C. **PARENTEAU** arranging and implementing a meeting between

Witness A and **SARTAIN** at a local Walmart so that Witness A could continue to assure **SARTAIN** that she would continue to obstruct the government's investigation and prosecution of **SARTAIN**, Witness A, **PARENTEAU**, and others;

- D. meeting at 4500 Dublin Road, Loretta Estate, after the final pre-sentence investigation report was issued to **SARTAIN** but before the date for his sentencing hearing was publicized so they could avoid the surveillance that **PARENTEAU** anticipated would occur after **SARTAIN**'s sentencing hearing was scheduled;
- E. **PARENTEAU** arranging and implementing a meeting between he and **SARTAIN** at the same local Walmart;

OVERT ACTS

In furtherance of the conspiracy and to achieve its objects and purposes, the following overt acts, among others, were committed in the Southern District of Ohio and elsewhere:

31. In or about October and November 2005, **SARTAIN** and **PARENTEAU** destroyed records and evidence material to the investigation of the individual income tax returns of Witness A.

32. In or about October and November 2005, **SARTAIN** and **PARENTEAU** created and had executed new false records and evidence material to the investigation of

the individual income tax returns of Witness A.

33. On or about January 24, 2006, **SARTAIN** withheld from the government in his response to a summons served upon him by the Internal Revenue Service many of the electronic and tangible records within his custody and control that related to the individual income tax returns of Witness A and **PARENTEAU** and others.

34. On or about March 14, 2006, **SARTAIN** again withheld from the government in response to a summons served upon him by the Internal Revenue Service many of the electronic and tangible records within his custody and control that related to the individual income tax returns of Witness A and **PARENTEAU** and others.

35. On or about March 14, 2006, **SARTAIN** discarded, shredded and destroyed records responsive to the summons served upon him by the Internal Revenue Service.

36. On or about April 6, 2006, **SARTAIN** concealed electronic records in his custody and control in at least three portable computer "thumb" drives inside a suit coat pocket in his closet. He also concealed other electronic records on other computers at his residence at 3471 Mark Twain Drive, Hilliard, Ohio 43026, electronic records relevant to the investigation then being conducted, and responsive to the summonses served upon him by the Internal Revenue Service.

37. On or about April 12, 2006, in reaction to a search warrant executed earlier that morning, and in response to a grand jury subpoena served upon him on April 6, 2006, **PARENTEAU**, through his attorney, turned over to the government what purported to be

consulting agreements for 2000, 2001, and 2003, and other documentation related to relevant 2002 transactions, with original signatures and other handwriting, all of which related to the entries on the individual income tax returns of Witness A.

38. On or about April 20, 2006, PARENTEAU concealed from the government electronic records maintained on a computer by not producing the computer or the records in response to a grand jury subpoena.

39. On or about April 25, 2007, Witness A met with the federal law enforcement agents and counsel for the United States then investigating her conduct as well as the conduct of PARENTEAU, and also then prosecuting SARTAIN, and she made material false statements consistent with the “story” she, the defendants, and others had concocted.

40. On or about May 07, 2007, Witness A met with the federal law enforcement agents and counsel for the United States then investigating her conduct as well as the conduct of PARENTEAU, and also then prosecuting SARTAIN, and she made material false statements consistent with the “story” she, the defendants, and others had concocted.

41. On or about May 17, 2007, Witness A met with the federal law enforcement agents and counsel for the United States then investigating her conduct as well as the conduct of PARENTEAU, and also then prosecuting SARTAIN, and she made material false statements consistent with the “story” she, the defendants, and others had concocted.

42. In or about late May, 2007, Witness A, through her attorney, turned over to

the federal law enforcement agents and counsel for the United States then investigating her conduct as well as the conduct of **PARENTEAU**, and also then prosecuting **SARTAIN**, the newly created and executed, but backdated and false, consulting agreements, and related false documents, all created by **SARTAIN** and **PARENTEAU**, which related to the entries on her individual income tax returns.

43. On or about May 23, 2007, Witness A met with the federal law enforcement agents and counsel for the United States then investigating her conduct as well as the conduct of **PARENTEAU**, and also then prosecuting **SARTAIN**, and she made material false statements consistent with the “story” she, the defendants, and others had concocted.

44. On or about March 27, 2008, shortly after counsel for **SARTAIN** had received both the initial PSI and the government’s letter to the District Court detailing the fraud it intended to prove at **SARTAIN**’s sentencing hearing, **PARENTEAU** instructed Witness A to meet **SARTAIN** at a local Walmart to assure him that she was still committed to protecting him, **PARENTEAU** and others by testifying falsely at **SARTAIN**’s sentencing hearing.

45. On or about July 29, 2008, shortly after **SARTAIN**’s final objections and the government prosecution team’s response were communicated to Probation, **PARENTEAU** insisted that Witness A meet with both he and **SARTAIN**, and arranged for the meeting to take place at 4500 Dublin Road, Loretta Estate, Columbus, Ohio 43221, so as to prepare Witness A for the anticipated sentencing hearing for **SARTAIN**

and to re-assure **SARTAIN** about their commitment to protect **PARENTEAU**.

46. On or about August 22, 2008, the day after the Final PSI was delivered to **SARTAIN**, both **PARENTEAU** and **SARTAIN** met with Witness A in order to refresh the memory of Witness A concerning her prior false statements to the government and to help prepare Witness A for her anticipated testimony at **SARTAIN**'s sentencing hearing.

47. On or about August 26, 2008, **PARENTEAU** and **SARTAIN** met with Witness A in order to discuss Witness A's statements to the government and Witness A's testimony at **SARTAIN**'s upcoming sentencing hearing.

48. On or about August 28, 2008, **PARENTEAU** met with Witness A in order to discuss Witness A's statements to the government and Witness A's anticipated testimony at **SARTAIN**'s upcoming sentencing hearing.

49. On or about September 3, 2008, **PARENTEAU** threatened Witness A with the use of physical force against her with the intent to influence her anticipated testimony and/or to prevent her from testifying to the truth about her tax returns at the sentencing hearing of **SARTAIN**.

50. On or about September 9, 2008, **PARENTEAU** threatened Witness A with the use of physical force against her with the intent to influence her anticipated testimony and/or to prevent her from testifying to the truth about her tax returns at the sentencing hearing of **SARTAIN**.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO
18 U.S.C. § 1503(a)
(Obstruction of Justice)

50. The Grand Jury incorporates by reference those allegations contained in paragraphs 1 through 16 and 18 through 50 of Count 1.

51. From in or around October 2005 to in or around the date of this Indictment, in the Southern District of Ohio, and elsewhere, defendants

THOMAS E. PARENTEAU
and
DENNIS G. SARTAIN

did corruptly influence, obstruct, and impede, and endeavor to influence, obstruct, and impede the due administration of justice, as set forth in paragraphs 1 through 16 and 18 through 50 of Count 1.

All in violation of Title 18, United States Code, Sections 1503(a) and Section 2.

COUNT THREE
18 U.S.C. § 1512(c)(1)
(Witness Tampering by Destroying Evidence)

50. The Grand Jury incorporates by reference those allegations contained in paragraphs 1 through 16 and 18 through 50 of Count 1.

51. From in or around October 2005 to in or around the date of this Indictment, in the Southern District of Ohio, and elsewhere, defendants

THOMAS E. PARENTEAU
and
DENNIS G. SARTAIN

did corruptly alter, destroy, mutilate, and conceal, and attempt to alter, destroy, mutilate, and conceal a record, document, and other object, specifically the original with intent to impair that object's integrity or availability for use in an official proceeding, specifically the federal grand jury investigation of **PARENTEAU, SARTAIN**, and others, as well as the sentencing hearing of **SARTAIN** in United States District Court, Case No. 2:07cr88.

All in violation of Title 18, United States Code, Sections 1512(c)(1) and Section 2.

COUNT FOUR
18 U.S.C. § 1512(c)(1)
(Witness Tampering by Concealing Evidence)

52. The Grand Jury incorporates by reference those allegations contained in paragraphs 1 through 16 and 18 through 50 of Count 1.

53. From in or around October 2005 to in or around the date of this Indictment, in the Southern District of Ohio, and elsewhere, defendant

THOMAS E. PARENTEAU

did corruptly alter, destroy, mutilate, and conceal, and attempt to alter, destroy, mutilate, and conceal a record, document, and other object, with intent to impair that object's integrity or availability for use in an official proceeding, specifically the federal grand jury investigation of **PARENTEAU**, **SARTAIN**, and others, as well as the sentencing hearing of **SARTAIN** in United States District Court, Case No. 2:07cr88.

All in violation of Title 18, United States Code, Sections 1512(c)(1) and Section 2.

COUNT FIVE
18 U.S.C. § 1512(b)(1)
(Witness Tampering by Influencing Testimony)

54. The Grand Jury incorporates by reference those allegations contained in paragraphs 1 through 16 and 18 through 50 of Count 1.

55. From in or around March 2008 to in or around the date of this Indictment, in the Southern District of Ohio, and elsewhere, defendants

THOMAS E. PARENTEAU
and
DENNIS G. SARTAIN

did knowingly and corruptly persuade and attempt to persuade Witness A, and engage in misleading conduct toward Witness A, with intent to influence, delay, and to prevent the truthful testimony of Witness A in an official proceeding, specifically the federal grand jury investigation of **PARENTEAU**, **SARTAIN**, and others, as well as the sentencing hearing of **SARTAIN** in United States District Court, Case No. 2:07cr88.

All in violation of Title 18, United States Code, Sections 1512(b)(1) and Section 2.

COUNT SIX
18 U.S.C. § 1512(b)(2)(A)
(Witness Tampering)

56. The Grand Jury incorporates by reference those allegations contained in paragraphs 1 through 16 and 18 through 50 of Count 1.

57. On or about August 28, 2008 in the Southern District of Ohio, and elsewhere, defendant

THOMAS E. PARENTEAU

did knowingly and corruptly persuade and attempt to persuade Witness A, and engage in misleading conduct toward Witness A, with intent to cause and induce Witness A to withhold testimony from an official proceeding, specifically, specifically the federal grand jury investigation of **PARENTEAU**, **SARTAIN**, and others, as well as the sentencing hearing of **SARTAIN** in United States District Court, Case No. 2:07cr88. All in violation of Title 18, United States Code, Sections 1512(b)(2)(A) and Section 2.

A TRUE BILL

s/Foreperson
FOREPERSON

GREGORY G. LOCKHART
United States Attorney


GARY L. SPARTIS (0023428)
Deputy Criminal Chief
Dated: